

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

TRANSFERRING BOUND PRINTED MATTER
PARCELS TO THE COMPETITIVE PRODUCT LIST

Docket No. MC2021-78

**UNITED STATES POSTAL SERVICE REQUEST TO
TRANSFER BOUND PRINTED MATTER PARCELS
TO THE COMPETITIVE PRODUCT LIST**
(March 26, 2021)

In accordance with 39 U.S.C. § 3642 and 39 C.F.R. § 3040.130 *et seq.*, the United States Postal Service hereby requests that Bound Printed Matter Parcels be transferred from the Market Dominant product list to the competitive product list as a subcategory of Parcel Select called Parcel Select Bound Printed Matter. This request is the fifth in a series of requests to transfer domestic parcel products to the competitive product list. (Transfer of Commercial Standard Mail Parcels, Docket No. MC2010-36; Transfer of Commercial First-Class Mail Parcels, Docket No. MC2011-22; Transfer of Parcel Post, Docket No. MC2012-13; and Transfer of Retail First-Class Mail Parcels, Docket No. MC2015-7.) Bound Printed Matter Parcels is not a special classification within the meaning of 39 U.S.C. § 3622(c). 39 C.F.R. § 3040.131(d).

The Governors' resolution authorizing this request, required by § 3040.131(b), is in Attachment A.

The supporting justification required by 39 C.F.R. §§ 3040.131(e) and 3040.132 begins in the next section, and the certification of Markes Lucius, Director of Product Management, United States Postal Service, attesting to the factual statements made is in Attachment B.

The proposed changes to the Mail Classification Schedule (“MCS”) made necessary by the transfer and required by § 3040.131(f) are in Attachment C, which also includes a minor correction to one paragraph of a current product description, together with its justification as required by § 3040.190(a).

An application for the non-public treatment of Table 2, redacted and filed under seal, is in Attachment D.

The Postal Service has submitted a notice describing this request for publication in the *Federal Register*, as required by 39 U.S.C. § 3642(d)(1).

Justification for the Transfer

A. Market Power Analysis

As a general matter, for the transfer of a product from the Market Dominant list to the competitive list, a market power analysis looks at four highly interrelated factors: it describes the product in question, identifies the market or submarket in which the product competes, identifies potential competitors and substitute products, and applies the market power test under 39 U.S.C. § 3642(b)(1). Docket No. MC2015-7, Order Conditionally Approving Transfer, July 20, 2017, at 9-11 (Order No. 4009).

1. Bound Printed Matter Parcels

Bound Printed Matter (BPM) Parcels is a commercial product that dates to 1976 and is an outgrowth of the former fourth-class catalog rate. Under the rate structure then in place, only bound, printed matter consisting entirely of advertising could be sent at the lower fourth-class catalog rate. Any bound, printed matter that contained advertising only in part, or no advertising at all, had to be sent Parcel Post at a higher rate. Docket No. MC73-1, Postal Rate Commission opinion, at 59.

These restrictions produced anomalies that made little commercial sense, for mailers or for the Postal Service. For example, a telephone book consisting only of Yellow Pages advertising could be mailed using the fourth-class catalog rate, but a telephone book of the same size, weight, and dimensions that was half Yellow Pages advertising and half white pages directory listings could not. *Id.* at 60 – 61. To further compound the anomaly, the distinction between advertising and non-advertising materials did not exist for the former third-class catalog rate under which catalogs weighing less than one pound could be mailed, regardless of whether they contained text. *Id.*

Accordingly, the Postal Rate Commission, with the consent of the Postal Service and the participating parties, amended the fourth-class catalog rate to include bound, printed matter, whether or not containing advertising. *Id.* at 62. This first BPM rate did not, however, include books, which were made a separate class under then 39 U.S.C. § 3683, *Id.* at 60, unless the books contained “non-incidental” advertising.

Book publishers thus increasingly added advertising to their books to the extent they found it advantageous to pay zoned BPM rates rather than unzoned “book” rates (special-rate fourth-class mail, now Media Mail), until, in 1991, the Postal Rate Commission removed this restriction as well. Its rationale for doing so was that “[i]t does not make economic sense to require publishers to include advertising in their books in order to qualify for these [BPM] rates.” Docket No. R90-1, Postal Rate Commission opinion, vol. 1, at V-375-76.

Today, BPM Parcels is a parcel product within the Package Services class. A piece may weigh up to 15 pounds and contain printed matter consisting of advertising,

promotional, directory, or editorial material (or any combination of such material), including books. Domestic Mail Manual (DMM) § 263.2.1.b, c.

Sheets must be securely bound by a permanent fastening such as staples, spiral binding, glue, or stitching – loose-leaf binders and similar fastenings are excluded – and at least 90 percent of sheets must be imprinted by a process other than handwriting or typewriting. Sheets may not have the nature of personal correspondence and may not be stationery or pads of blank, printed forms. DMM § 263.2.1.d-g.

BPM Parcels is not available to consumers at the retail window. It is available only to commercial customers. Postage for BPM parcels may be paid only by permit, DMM §§ 266.1.0, 266.2.1, and prices are paid per piece and per pound for Carrier Route, Presorted, and Destination Entry mailings of 300 pieces or more. Postage is paid by weight and zone for non-presorted mailings, for which there is no piece minimum. USPS Notice 123, p. 29. Transportation of BPM Parcels is by ground, with a service standard of 2 – 9 days, though the Postal Service does not guarantee delivery within this time. USPS FAQs, Article Nos. 3122, 3156; DMM § 263.3.1.¹

As such, BPM Parcels typically carry books, other non-advertising publications, and larger catalogs. (Smaller catalogs and advertising material are more typically mailed as BPM Flats, a separate product that is not part of this request.) The Postal Service believes that approximately two-thirds of BPM Parcel volume is shipped to consumers, while the other one-third is shipped to businesses.

¹ <https://faq.usps.com/s/article/What-are-Package-Services> and <https://faq.usps.com/s/article/What-is-the-Estimated-Delivery-Time-for-Package-Services>. Accessed March 25, 2021.

2. The Relevant Market or Market Segment

Following Federal antitrust principles and guidelines, identifying the market in which a product competes may also mean identifying the relevant segment of a larger market. A market segment may constitute a market for antitrust purposes and for the market power analysis. Docket No. MC2013-57, Order Denying Request, Dec. 23, 2014, at 17 (Order No. 2306).

In parcels transfer cases, the Commission has found that parcels are very broadly defined, that service providers offer a variety of products within the overall parcels market, and that these products meet different needs for different consumers. As such, focusing the market power analysis on the appropriate market segment in parcels cases “should result in a more meaningful market power analysis” than using the overall parcels market. Order No. 4009 at 9 – 11.

To help determine the relevant market segment in parcels transfer cases, the Commission looks to the characteristics of the parcels products themselves. Order No. 4009 at 14 – 15 (The different characteristics of different parcels services have “important implications for describing ... alternative service providers, similar competing services, and the market segments in which the parcels services operate”). Characteristics to be examined may include the maximum sizes and weights allowed for a parcel product, its customers, method(s) of transportation, delivery times, pricing, content restrictions (if any), piece minimums (if any), and preparation requirements such as presorting. Order No. 4009 at pp. 14 – 20.

The characteristics of BPM Parcels indicate the market segment in which the product competes: inexpensive, ground delivery of light- to moderate-weight packages containing books, catalogs, and similar printed matter to individuals and businesses.

The maximum per-piece weight of 15 pounds limits the number of books or catalogs that can be sent in a single package. As such, BPM Parcels is unsuited for shipping commercial quantities and is better suited to smaller purchases such as are usually made by individuals and smaller businesses.

The delivery standard of two to nine days, not guaranteed, means that there can be little urgency to the delivery of BPM Parcels. As such, transportation is by ground only, and prices are lower than those for products transported entirely, or in part, by air.

3. Competitors and Substitute Products

Whether or not products should be included in the relevant market or market segment is a function of whether the products are reasonably interchangeable. Order No. 2306 at 18 (“Market definition focuses on demand substitution”). Whether products are reasonably interchangeable requires an examination of a number of facts, including “the purposes for which they are produced, price, use, and qualities considered. *Id.* at 16, *quoting United States v. E.I. duPont de Nemours & Co.*, 351 U.S. 377 at 404 (1956). Also relevant are public perceptions of markets or a firm’s perception of who its competitors are and of whether the products are acceptable substitutes for one another. *Id.* (Citations omitted.) With this in mind, the group of products competing with BPM Parcels takes shape.

BPM Parcels competes primarily against products offered by United Parcel Service (UPS) and FedEx Corporation (FedEx). Both companies offer a service called

“Ground.” Neither product has a content restriction. Both charge by the pound and by zone for ground deliveries of packages large and small (up to 150 pounds). Delivery within the continental United States is guaranteed within five days. 2021 UPS Rate & Service Guide at 8, 68; FedEx Standard List Rates 2021 at 76-78.

These products are not only reasonably interchangeable with BPM Parcels, they are, in fact, interchangeable. Any package a customer could send using BPM Parcels, it could, in the alternative, send as a UPS or FedEx Ground package.

Price is also relevant, and the prices are at least comparable for the purpose of including UPS and FedEx Ground as competitor products within the BPM Parcels market segment. The published rates for UPS and FedEx Ground are, of course, higher than the rates for BPM Parcels. For example, UPS and FedEx publish identical rates for Ground packages between 1 and 10 pounds in the same or adjacent zone (Zone 1 & 2) – \$8.76 to \$11.92 – and nearly identical rates for packages between 11 and 15 pounds – \$12.54 to 13.28 for FedEx; UPS charges two cents less for each pound increment. FedEx Standard List Rates 2021 at 76; 2021 UPS Rate & Service Guide at 68. For the Postal Service, non-presorted BPM Parcels in Zone 1 & 2 cost from \$2.71 to \$4.90. Notice 123 Price List, January 24, 2021, at 29.

However, the cost of the higher UPS and FedEx list prices pays, in part, for additional features not offered by BPM Parcels, such as the five-day delivery guarantee within the continental United States and a much higher weight limit. In addition, UPS and FedEx commercial customers generally do not pay published rates but rather obtain negotiated rates such that the average rates actually paid are lower than the

published rates would suggest. Indeed, UPS stated in its 2020 fourth-quarter earnings call that it is moving toward more personalized pricing for its customers.²

BPM Parcels also competes against other, “hybrid” products offered by shippers including UPS, FedEx, and other large, widely recognized competitors. These products are acceptable substitutes for BPM Parcels because they have, in fact, been substituted for BPM Parcels. The shippers resell BPM Parcel delivery to their customers and use the Postal Service for delivery by entering packages into the mailstream as BPM Parcels. Representative examples follow:

- UPS offers “UPS Mail Innovations” for commercial customers, which it describes as “a mailing service provider that can help you streamline, optimize, and synchronize your mailing process.”³ UPS specifically identifies BPM Parcels as a kind of “qualified” mail that it will accept, along with other postal products.⁴
- UPS also offers “SurePost,” an economy ground service for residential delivery,⁵ “ideal for packages less than 10 lbs.” SurePost uses BPM Parcels and other postal products to ship packages.⁶
- FedEx offers SmartPost for commercial customers, a product where “Shipments are made via FedEx Ground to the U.S. Postal Service® (USPS) system destination closest to your customer, and the postal worker carries it the last leg

² <https://seekingalpha.com/article/4402840-united-parcel-service-inc-ups-ceo-carol-tome-on-q4-2020-results-earnings-call-transcript>. Accessed March 25, 2021.

³ <https://www.ups.com/us/en/help-center/sri/mailinnovations.page#:~:text=UPS%20Mail%20Innovations%C2%AE%20is,and%20synchronize%20your%20mailing%20process>. Accessed March 25, 2021.

⁴ https://www.upsmailinnovations.com/pdfs/UPSMI_Qualifying_Mail_Page.pdf. Accessed March 25, 2021.

⁵ <https://www.ups.com/us/en/help-center/tracking-support/sp-definition.page>. Accessed March 25, 2021.

⁶ https://www.ups.com/assets/resources/media/en_US/ups-surepost-features-of-service.pdf. Accessed March 25, 2021.

for delivery.”⁷ SmartPost, like UPS’s SurePost, uses BPM Parcels and other postal products to ship packages.⁸

- The Deutsche Post - DHL Group (DHL) offers SmartMail for “eCommerce ... or other B2C [Business-to-Consumer]” shippers and uses BPM Parcels and other postal products to ship packages.⁹
- OSM Worldwide or One Stop Mailing provides package services for business customers and uses BPM Parcels and other postal products to ship packages.¹⁰

Indeed, as shown in Table 1, in FY 2020, the Postal Service handled approximately 260.6 million BPM Parcels. The vast majority of that volume – 241.2 million parcels or 92.6 percent – was entered at destination, and nearly two-thirds of the volume entered at destination – 157.7 million parcels or 65.4 percent – was entered at the destination delivery unit (DDU), so the Postal Service provided only last-mile delivery. Overall, 60.5 percent of BPM Parcels volume was entered at the DDU.

Table 1: FY 2020 BPM Parcels volume by entry

Entry Point	Parcels
DDU	157,672,636
DSCF	62,777,358
DNDC	20,756,617
Total Dropship	241,206,611
Non Dropship	18,345,909
Overall Pieces	260,591,474

⁷ <https://www.fedex.com/en-us/shipping/fedex-smartpost/network.html>. Accessed March 25, 2021.

⁸ http://www.fedex.com/us/software/pdf/FedEx_SmartPost_Guide_v2440_04202010.pdf. At p. 7. Accessed March 25, 2021.

⁹ <https://www.dhl.com/us-en/home/our-divisions/ecommerce/shipping/domestic-shipping.html>. Accessed March 25, 2021.

¹⁰ <https://www.osmworldwide.com/domestic-shipping/>. Accessed March 25, 2021.

4. Market Power Test

For the market power test, the Postal Service is asked to show that BPM Parcels does not meet the definition of a Market Dominant product in 39 U.S.C. § 3642(b)(1), *i.e.* that it is not a product over which the Postal Service exercises sufficient market power that it can, without risk of losing a significant level of business to other firms offering similar products, set the price of the product substantially above costs, raise prices significantly, decrease the quality of the product, or decrease output. 39 C.F.R. § 3040.132(d)(1) – (4); Order No. 4009 at 30. That the Postal Service does not exercise monopoly power over BPM Parcels is shown by two things: the existence of robust competition and large customers that are also competitors with their own end-to-end delivery networks.

There are, conceivably, circumstances in which the Postal Service might exercise monopoly power over BPM Parcels. Assuming, for the sake of argument, that the Postal Service were the only competitor logistically capable of providing last-mile delivery, other competitors seeking to deliver BPM Parcels would be compelled to route their packages through the Postal Service, paying accordingly. In such a case, the Postal Service could, with impunity, raise prices significantly above cost and degrade service delivery times, all without losing business. Competitors and customers would have no alternatives.

However, as shown in Table 2, which is redacted here and filed under seal, 62.7 percent of BPM Parcels volume in FY 2020 was entered by entities with robust logistics networks that provide for all legs of delivery from origin through last mile. Because those entities can provide delivery themselves, close to two-thirds of the Postal Service's BPM

Parcel volume is at risk for immediate diversion should BPM Parcels see either a significant rate increase or significant degradation in service.

Further, another 26 percent of BPM Parcels volume was entered by large logistics entities that do not provide last-mile delivery. One can reasonably assume that these firms are sophisticated enough to obtain last-mile delivery from sources other than the Postal Service in the event of a significant rate increase or degradation in service, putting this volume at risk of diversion as well.

Table 2: Top 20 BPM Parcel Mailers by Volume, FY 2020

Mailer	BPM Parcels
Top 20 Total	243,277,033
All Other	17,314,441
BPM PARCEL TOTAL (All User)	260,591,474
TOP 20 % of Total	93.36%

Further still, the top twenty customers of BPM Parcels in FY 2020 accounted for 93.4 percent of volume. Thus, looking beyond the large volume entered by logistics-capable entities, approximately 30 percent of volume was entered by a mix of publishers, booksellers, financial institutions, and product sellers. Large corporate customers such as these could easily negotiate competitive contract rates should they choose to move their business from the Postal Service to a competitor.

Finally, the significance of competitors with their own last-mile delivery capability should not be understated. On the one hand, competition for last-mile delivery of BPM Parcels is not merely theoretical. Competitors do provide last mile-delivery through their own networks.

UPS, for example, retains some volume for its own last-mile network where it has sufficient delivery density. This practice is made explicit in UPS's most recent contract with the Teamsters union. The contract requires UPS to identify when SurePost packages are destined to multiple addresses in close proximity to one another and retain those packages for delivery rather than delivering them through the Postal Service:

The Company [UPS] will continue to use technology that identifies two or more Surepost packages to be delivered to the same address and/or any combination of Surepost package(s) and ground package(s) to be delivered to the same address. In such circumstances, all of the Surepost package(s) and ground package(s) will be delivered by package drivers. The Company will maintain and update the technology that identifies multiple addresses in close proximity to which any combination of Surepost and ground packages are to be delivered.

Article 26, §4, ¶2, National Master United Parcel Service Agreement for the period August 1, 2018, through July 31, 2023.¹¹ This might also explain what is often reported

¹¹ <https://teamster.org/wp-content/uploads/2018/12/ups18nationalmaster.pdf>. Accessed March 25, 2021.

anecdotally by package recipients, that SurePost boxes labeled for delivery by the Postal Service, complete with UPS's permit imprint and a Postal Service tracking number, are sometimes delivered by UPS drivers.

UPS also gives customers multiple opportunities to choose between delivering BPM Parcels through its network or through the Postal Service's. UPS customers can, of course, choose between UPS Ground and UPS SurePost products. UPS also gives SurePost customers the opportunity to "upgrade" from the Postal Service's last mile delivery to UPS's own. After describing SurePost as a service that "combines the consistency and reliability of the UPS Ground network with final delivery typically provided by the U.S. Postal Service," the UPS website goes on to state:

Note: UPS My Choice® Members can upgrade a UPS SurePost package to UPS Ground for an additional fee. Once upgraded, Members can use the features available with their Membership to reschedule or redirect delivery to an alternate address or to The UPS Store®. Upgraded packages typically arrive one day earlier.¹²

On the other hand, competition for BPM Parcels is growing, not only from package delivery services such as UPS and FedEx but also from retailers themselves that can, or will soon be able to, provide last-mile delivery of their own packages instead of delivering them through the Postal Service. Some sellers already have, and are expanding, their own last-mile delivery networks. See, e.g., Alexander Vuocolo, *Amazon Is Quickly Replacing USPS With Its Own Delivery Network*, Cheddar.com (Sept. 23, 2020).¹³ Other sellers are investing in the research and technology necessary to develop their own last-mile delivery networks. See, e.g., Matt Leonard, *Target to*

¹² <https://www.ups.com/us/en/help-center/tracking-support/sp-definition.page>. Accessed March 25, 2021.

¹³ <https://cheddar.com/media/amazon-replacing-usps-with-own-delivery-network>. Accessed March 25, 2021.

Acquire Deliv Tech as the Last-Mile Startup Shuts Down, supplychaindive.com (May 11, 2020).¹⁴ Others still are working with start-up last-mile providers. See, e.g., Onfleet Inc., *Top 7 Last Mile Delivery Startups & Companies to Watch in 2021*, Onfleet.com (November 20, 2020).¹⁵ If anything, the continued presence of an unprofitable BPM Parcels product may be distorting the last-mile delivery market and artificially impeding the emergence of further competition.

In sum, given all of the foregoing, the market power analysis shows that the Postal Service does not exercise monopoly power over BPM Parcels. The Postal Service cannot raise prices significantly above cost or degrade service without risking the loss of significant business, and the availability of comparable products from multiple competitors will protect the interests of customers in the absence of the Market Dominant regulatory framework.

B. Views of Customers

Given that service standards will remain the same after the proposed transfer, customers' major concerns would likely be the effect of the transfer on prices, and, in particular, the fact that prices will no longer be subject to the inflation-based Market Dominant ratemaking system. The Postal Service has shown that the mailers of BPM Parcels are overwhelmingly highly sophisticated commercial entities that have alternatives for the delivery of their parcels. Thus, as is the case for the other competitive parcels they send, they are not locked into the Postal Service but rather can

¹⁴ <https://www.supplychaindive.com/news/target-acquire-deliv-technology-shipt/577652/>. Accessed March 25, 2021.

¹⁵ <https://onfleet.com/blog/last-mile-delivery-companies/>. Accessed March 25, 2021.

shift their volume relatively quickly and do not require the protection of the Market Dominant price cap.

Some customers may argue that, as a product used often for the transport of books, BPM Parcels should be kept on the Market Dominant product list in the interest of ensuring a low-cost means of distributing educational, cultural, scientific, and informational material. In response, the Postal Service would point out that there is another Market Dominant product for this specific purpose, namely, Media Mail. Moreover, Media Mail is available to both retail and commercial customers, thereby better ensuring the distribution of educational, cultural, scientific, and informational material. BPM Parcels, in contrast, is available only to commercial customers and is largely used by large and sophisticated commercial firms in for-profit commerce.

C. Likely Effect on Small Business Concerns

The Commission defines “small business concern” as a for-profit business entity that --

- (1) Is independently owned and operated;
- (2) Is not dominant in its field of operation;
- (3) Has a place of business located in the United States;
- (4) Operates primarily within the United States or makes a significant contribution to the United States economy by paying taxes or using American products, materials, or labor; and
- (5) Together with its affiliates, qualifies as *small* in its primary industry under the criteria and size standards established by the Small Business Administration in 13 C.F.R. § 121.201 based on annual receipts or number of employees.

39 C.F.R. § 3010.101(t). The transfer of BPM Parcels to the competitive product list is unlikely to result in any disproportionate impact on small business concerns. To the

contrary, the impact falls disproportionately on large entities; the top 20 shippers accounted for 93.6 percent of BPM Parcels volume in FY 2020. Further, the Postal Service is not aware of any small business shipping providers that offer services that compete with BPM Parcels.

D. Inapplicability of Letter Monopoly

By definition, the content restrictions in DMM §§ 2.0 – 2.3 place BPM Parcels outside of the scope of the letter monopoly or, if not, within the scope of the exceptions to, or suspensions of, the Private Express Statutes (PES). As to the scope of the monopoly, the PES reserves to the Postal Service “the conveyance of letters or packets ... by regular trips or at stated periods over any post route which is or may be established by law, or from any city, town, or place to any other city, town, or place, between which the mail is regularly carried....” 18 U.S.C. § 1696(a). A “letter” is, generally, a personal message tangibly recorded, 39 C.F.R. § 310.1(a), and the definition specifically excludes “books and catalogs consisting of 24 or more bound pages with at least 22 printed, and telephone directories.” 39 C.F.R. § 310(a)(7)(v).

Conversely, those things make up some of the required content of BPM Parcels, which is restricted, for the most part, to advertising, promotional, directory, or editorial material (or any combination thereof), including books, DMM § 263.2.1.c, while printed matter “in the nature of personal correspondence” – a letter – is specifically excluded. DMM 263.2.1.f.

As to exceptions and suspensions, BPM Parcels, may contain incidental First-Class mail matter, such as invoices, receipts, or incidental advertising. The DMM gives as examples “a bill for the product or publication, a statement of account for past

products or publications, or a personal message or greeting included with a product, publication, or parcel.” DMM § 2.3.2. These incidental attachments and enclosures, however, must be “closely associated with but secondary to the host piece,” *i.e.*, they will usually document the transaction that caused the bound printed matter to be sent in the first place. *Id.* As such, any incidental First-Class matter in BPM Parcels falls within the exception for cargo, which exempts from the postal monopoly letters that “accompany and relate in all substantial respects to some part of the cargo or to the ordering, shipping or delivering of the cargo.” 39 C.F.R. § 310.3(a).

Any incidental, non-addressed, non-personalized advertising enclosed in BPM Parcels will also be within the scope of the suspensions to the PES. These permit the private carriage of advertisements “enclosed with merchandise in parcels” to be carried privately, as long as the advertisements are not marked with the names or addresses of intended recipients and are incidental to the shipment of merchandise or periodicals. 39 C.F.R. § 320.7.

E. 39 U.S.C. § 3633

Transferring BPM Parcels to the competitive product list will not violate any of the three standards in 39 U.S.C. § 3633. Paragraph (a)(1) prohibits the subsidization of competitive products by Market Dominant products. Paragraph (a)(2) requires that each competitive product cover its attributable costs. Paragraph (a)(3) requires that all competitive products collectively cover an appropriate share of Postal Service institutional costs.

As to paragraph (a)(2), in FY 2020, BPM Parcels covered 93.8 percent of its attributable costs, a decline driven primarily by an increase in delivery costs that

resulted from a recent change in costing methodology for in-office city carrier costs. Docket No. ACR2020, United States Postal Service FY 2020 Annual Compliance Report, Dec. 29, 2020, at 30 (FY20 ACR). While it is unclear whether BPM Parcels will cover its costs in FY 2021, consistent with past practice, the Postal Service seeks authority from the Commission to implement a price increase under the competitive rules for the category simultaneous with the transfer. Docket No. MC2010-36, Order Conditionally Granting Request to Transfer Commercial Standard Mail Parcels to The Competitive Product List, Mar. 2, 2011, at 19 (ordering Postal Service to file competitive price adjustment as a condition of transfer). As with all competitive price increases, the Postal Service will provide financial documentation demonstrating that the category will cover its costs upon implementation of the increase.

Even without such an increase, and certainly with the increase, the transfer of BPM Parcels would satisfy 39 U.S.C. § 3633(a)(1) and (3). Competitive products will both cover their attributable costs and an appropriate share of institutional costs.

In FY 2020, competitive products covered 30.8 percent of institutional costs. FY20 ACR at 71. The total attributable costs for competitive products were \$19.4 billion against total product revenue of \$30.5 billion, a difference of \$11.1 billion, or 30.8 percent of \$36.0 billion in total institutional costs. Docket No. ACR2020, USPS-FY20-1, at 3, (Dec. 29, 2020).

The target FY 2021 appropriate share of institutional costs to be covered by competitive products is 9.1 percent. Docket No. ACR 2019, Annual Compliance Determination, Mar. 25, 2020, at 89. Given the relatively small size of BPM Parcels in terms of volume and revenue, its transfer would not result in competitive product contribution falling below this target. Even assuming that BPM Parcels contributed \$0 in

revenue at an additional cost to the Postal Service of \$500 million above its actual 2020 costs, and with all other costs and revenues from FY2020 remaining equal, competitive products would still cover 29.0 percent of total institutional costs (\$19.9 billion in total attributable costs for competitive products against \$30.5 in revenue, a difference of \$10.6 billion or 29.0 percent of \$36.5 billion in total institutional costs).

F. Additional Considerations

There are, finally, a few additional considerations that weigh in favor of transferring BPM Parcels to the competitive products list. In a practical sense, the content restrictions for BPM Parcels, a result of its own particular regulatory history, create arbitrary distinctions within the larger parcel market – between parcels containing bound, printed matter and parcels containing other matter or goods. From the point of view of the shipper or, indeed, of the consumer, however, there is no difference between carrying (or receiving) a properly packed box containing a few of the latest hardback best sellers and a box of equal size and weight containing personal stationery, apparel and accessories, or household goods, none of which qualify to be shipped using BPM Parcels. UPS and FedEx package products make no distinction between these boxes in price, handling, or delivery times.

This request is, again, the fifth in a series of requests to transfer domestic parcel products from the Market Dominant to the competitive product list. The Commission has already permitted the transfer of parcel products available only to commercial mailers, products available to both commercial mailers and retail customers, products for parcels weighing under one pound, and products for both light and heavy parcels. (Transfer of Commercial Standard Mail Parcels, Docket No. MC2010-36; Transfer of Commercial

First-Class Mail Parcels, Docket No. MC2011-22; Transfer of Parcel Post, Docket No. MC2012-13; and Transfer of Retail First-Class Mail Parcels, Docket No. MC2015-7.)

Taken together, these decisions suggest that the parcels market is competitive no matter how one defines products within it, and it would be anomalous, therefore, for the Commission to treat BPM Parcels differently.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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March 26, 2021

**RESOLUTION OF THE GOVERNORS
OF THE
UNITED STATES POSTAL SERVICE**

Resolution No. 19-8

**Transfer of Bound Printed Matter Parcels
to the Competitive Product List**

RESOLVED:

Pursuant to section 3642 of Title 39, United States Code, the Postal Service is authorized to file a request with the Postal Regulatory Commission to transfer Bound Printed Matter Parcels from the market-dominant product list to the competitive product list.

Postal management is authorized to conduct customer and stakeholder outreach prior to filing the above-referenced transfer request. If the results of such outreach indicate that the proposed transfer is advisable, then management is directed to provide the required public notice and to file with the Postal Regulatory Commission the mail classification changes, and other supporting documents and information, in accordance with section 3642 of Title 39, United States Code, and Part 3020 of Title 39, Code of Federal Regulations.

The foregoing Resolution was adopted by the Governors, and takes effect, on August 8, 2019.



Michael J. Elston
Secretary of the Board of Governors (A)

CERTIFICATION

I, Markes S. Lucius, am the Director of Product Management, United States Postal Service.

I have read and am familiar with the request of the United States Postal Service to transfer Bound Printed Matter Parcels from the Market Dominant Price list to the competitive price list, Docket No. MC2021-78, and I attest to the accuracy of the factual information contained therein.

Dated: March 26, 2021

By:  _____

Markes L. Lucius

ATTACHMENT C

MAIL CLASSIFICATION CHANGES

Additions are underlined and deletions are marked by strikethrough. Some unchanged language is included, but only to show the location of the changes.

With the exception of one paragraph, additions and deletions are those changes made necessary by the transfer of the Market Dominant Bound Printed Matter Parcels to the competitive Parcel Select Bound Printed Matter.

On page 16 of this attachment, the Postal Service also proposes a correction to the paragraph within section 2115.4 that lists the available price categories for the existing Parcel Select Lightweight product. There is no proposed change to any price category or to the text of that paragraph. Rather, the Postal Service would change the outline level of the paragraph to remove an ambiguity and make clear that Parcel Select Lightweight is one of the four subcategories of Parcel Select, along with Destination Entry, Ground, and Bound Printed Matter, and not a subcategory of Parcel Select Ground, which was a possible reading of the current placement.

Part A

Market Dominant Products

1000

MARKET DOMINANT PRODUCT LIST

PACKAGE SERVICES

Alaska Bypass Service

Bound Printed Matter Flats

~~Bound Printed Matter Parcels~~

Media Mail/Library Mail

* * * * *

1400 Package Services

* * * * *

1400.2 Products Included in Class

- Alaska Bypass Service (1405)
- Bound Printed Matter Flats (1415)
- ~~Bound Printed Matter Parcels (1420)~~
- Media Mail/Library Mail (1425)

* * * * *

1420 [Reserved] Bound Printed Matter Parcels

1420.1 Description

- a. ~~Package Services mail weighing not more than 15 pounds may be sent as Bound Printed Matter Parcels if it meets all of the following:~~
- ~~• Consists of advertising, promotional, directory, or editorial material (or any combination of such material);~~
 - ~~• Is securely bound by permanent fastenings such as staples, spiral binding, glue, or stitching. Loose-leaf binders and similar fastenings are not considered permanent;~~
 - ~~• Consists of sheets of which at least 90 percent are imprinted by any process other than handwriting or typewriting with words, letters, characters, figures, or images (or any combination of them);~~
 - ~~• Does not have the nature of personal correspondence; and~~
 - ~~• Is not stationery, such as pads of blank printed forms.~~
- b. ~~Postage must be paid by permit imprint only.~~

1420.2 Size and Weight Limitations

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	108 inches in combined length and girth			15 pounds

1420.3 Minimum Volume Requirements

		Minimum Volume Requirements
Flats	Nonpresorted	none
	Presorted	300 pieces per mailing
	Carrier Route	300 pieces per mailing

~~1420.4 Price Categories~~

~~The following price categories are available for the product specified in this section:~~

- ~~Carrier Route~~
 - ~~DDU~~
 - ~~DSCF~~
 - ~~DNDG~~
 - ~~Zones 1-9~~
- ~~Presorted~~
 - ~~DDU~~
 - ~~DSCF~~
 - ~~DNDG~~
 - ~~Zones 1-9~~
- ~~Nonpresorted~~

~~1420.5 Optional Features~~

~~The following additional postal services may be available in conjunction with the product specified in this section:~~

- ~~Ancillary Services (1505)~~
 - ~~Address Correction Service (1505.1)~~
 - ~~Certificate of Mailing (1505.6)~~
 - ~~Collect on Delivery (1505.7)~~
 - ~~USPS Tracking (1505.8)~~
 - ~~Insurance (1505.9)~~
 - ~~Return Receipt (1505.13)~~
 - ~~Signature Confirmation (1505.17)~~
 - ~~Special Handling (1505.18)~~
- ~~Competitive Ancillary Services (2645)~~
 - ~~Package Intercept Service (2645.2)~~
- ~~Pickup On Demand Service~~

1420.6 — Prices

Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. ~~Destination Entry~~

	DDU	DSCF	DNDC Zones 1 & 2	DNDC Zone 3	DNDC Zone 4	DNDC Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.644	0.826	1.283	1.283	1.283	1.283
Per Pound	0.043	0.074	0.102	0.134	0.182	0.253

b. ~~Other Than Destination Entry~~

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.386	1.386	1.386	1.386	1.386	1.386	1.386
Per Pound	0.190	0.226	0.275	0.340	0.415	0.479	0.626

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. ~~Destination Entry~~

	DDU	DSCF	DNDG Zones 1 & 2	DNDG Zone 3	DNDG Zone 4	DNDG Zone 5
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.789	0.971	1.428	1.428	1.428	1.428
Per Pound	0.043	0.074	0.102	0.134	0.182	0.253

b. ~~Other Than Destination Entry~~

	Zones Local 1 & 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zones 8 & 9
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	1.531	1.531	1.531	1.531	1.531	1.531	1.531
Per Pound	0.190	0.226	0.275	0.340	0.415	0.479	0.626

Nonpresorted

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zones 8 & 9 (\$)
1.0	2.71	2.77	2.83	2.92	3.04	3.10	3.31
1.5	2.76	2.83	2.89	2.98	3.10	3.17	3.38
2.0	2.84	2.92	3.00	3.12	3.28	3.36	3.66
2.5	2.96	3.06	3.16	3.31	3.52	3.62	3.99
3.0	3.09	3.21	3.33	3.51	3.76	3.88	4.33
3.5	3.24	3.38	3.52	3.74	4.04	4.18	4.71
4.0	3.36	3.52	3.68	3.93	4.27	4.43	5.04
4.5	3.48	3.66	3.84	4.13	4.51	4.69	5.37
5.0	3.61	3.82	4.03	4.35	4.77	4.98	5.73
6.0	3.87	4.13	4.39	4.78	5.29	5.55	6.45
7.0	4.14	4.44	4.74	5.19	5.80	6.10	7.15
8.0	4.39	4.73	5.07	5.59	6.28	6.62	7.82
9.0	4.65	5.04	5.43	6.02	6.80	7.19	8.55
10.0	4.90	5.33	5.76	6.41	7.27	7.70	9.20
11.0	5.18	5.66	6.14	6.86	7.82	8.30	9.97
12.0	5.42	5.94	6.46	7.24	8.28	8.80	10.62
13.0	5.68	6.24	6.80	7.64	8.76	9.32	11.28
14.0	5.95	6.56	7.17	8.08	9.28	9.89	12.01
15.0	6.21	6.86	7.51	8.48	9.79	10.44	12.72

————— *Pickup On Demand Service*

————— ~~Add \$24.00 for each Pickup On Demand stop.~~

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1500 Special Services

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1505 Ancillary Services

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1505.2 Applications and Mailing Permits

1505.2.1 Description

Payment of an application, mailing, or permit fee is required to mail certain products. Many of the fees apply at the class level and encompass the associated products. Fees that apply to particular special services are included in the price schedules for those special services.

Mailing Fees

First-Class Mail

A mailing fee must be paid once each 12-month period at each office of mailing by any person who mails at the presorted or automation prices, except for qualifying Full-service Intelligent Mail barcode mailings. Payment of the fee allows the mailer to mail at any First-Class Mail or First-Class Package Service price.

USPS Marketing Mail

A mailing fee must be paid each 12-month period for each permit used to mail USPS Marketing Mail except for qualifying Full-service Intelligent Mail barcode mailings.

Periodicals

Each authorized Periodicals publication must pay the application fee for one original entry authorization at the Post Office where the office of publication is maintained. A re-entry application fee must be paid whenever the publisher changes the publication's title, frequency of issue, office of original entry, or qualification category. Prior to entering Nonprofit, Classroom, and Science of Agriculture Periodicals mail, a publication must obtain an additional Postal Service entry authorization to mail at those prices. Periodicals mail may be entered only by publishers or registered news agents. A news agent is a person or concern engaged in distributing two or more Periodicals publications published by more than one publisher. News agents must register at each Post Office at which they enter Periodicals mail, and pay the appropriate application fee.

Package Services

A mailing fee must be paid once each 12-month period to mail at any destination entry Bound Printed Matter price, except for qualifying Full-service Intelligent Mail barcode mailings, ~~or if a mailer uses Bound Printed Matter to mail parcels only.~~

Permit Imprint Application Fee

- a. A fee is charged for application to use a permit imprint as a method of payment.
- b. This fee does not apply to mailers using the Electronic Verification System (eVS) or Priority Mail Express Manifesting (PMEM) payment methods, or to mailers using a permit imprint to mail only Priority Mail Express, Priority Mail, First-Class Package Service, Parcel Select (Destination Entry and Ground), Parcel Select Lightweight, Parcel Select Bound Printed Matter, ~~Parcels~~, Media Mail, or Library Mail.

* * * * *

Part B

Competitive Products

* * * * *

2115 Parcel Select

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2115.1 Description

- a. Any mailable matter may be mailed as Parcel Select mail (Destination Entry, Ground, Parcel Select Lightweight, and Parcel Select Bound Printed Matter), except matter required to be mailed by First-Class Mail or Priority Mail services; and publications required to be entered as Periodicals mail.
- b. Parcel Select mail weighing not more than 15 pounds may be sent as Parcel Select Bound Printed Matter if it meets all of the following:
- Consists of advertising, promotional, directory, or editorial material (or any combination of such material);
 - Is securely bound by permanent fastenings such as staples, spiral binding, glue, or stitching. Loose-leaf binders and similar fastenings are not considered permanent;
 - Consists of sheets of which at least 90 percent are imprinted by any process other than handwriting or typewriting with words, letters, characters, figures, or images (or any combination of them);
 - Does not have the nature of personal correspondence; and
 - Is not stationery, such as pads of blank printed forms.
- Postage for mail sent as Parcel Select Bound Printed Matter must be paid by permit imprint
- c. Parcel Select mail is not sealed against postal inspection. Mailing of matter as such constitutes consent by the mailer to postal inspection of the contents, regardless of the physical closure.
- d. Undeliverable-as-addressed Parcel Select pieces will be forwarded on request of the addressee or forwarded or returned on request of the mailer, subject to the applicable Parcel Select Ground price specified in the Domestic Mail Manual, plus an applicable fee, when forwarded or returned. Pieces which combine Parcel Select matter with First-Class Mail or USPS Marketing Mail matter will be forwarded or returned if undeliverable-as-addressed, as specified in the Domestic Mail Manual.

Attachments and enclosures

- a. First-Class Mail or USPS Marketing Mail pieces may be attached to or enclosed in Parcel Select mail. Postage at the applicable First-Class Mail or USPS Marketing Mail price may be required.

2115.2 Size and Weight Limitations

Parcel Select (Destination Entry and Ground)

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	130 inches in combined length and girth			70 pounds ¹

Notes

1. An overweight item charge of \$100.00 applies to pieces found in the postal network that exceed the 70-pound maximum weight limitation. Such items are nonmailable and will not be delivered. As described in the Domestic Mail Manual, this charge is payable before release of the item, unless the item is picked up at the same facility where it was entered.

Parcel Select Lightweight

	Length	Height	Thickness	Weight
Minimum	large enough to accommodate postage, address, and other required elements on the address side			none
Maximum	108 inches in combined length and girth			< 16 ounces

Parcel Select Bound Printed Matter

	<u>Length</u>	<u>Height</u>	<u>Thickness</u>	<u>Weight</u>
<u>Minimum</u>	<u>large enough to accommodate postage, address, and other required elements on the address side</u>			<u>none</u>
<u>Maximum</u>	<u>108 inches in combined length and girth</u>			<u>15 pounds</u>

2115.3 Minimum Volume Requirements

	Minimum Volume Requirements
--	------------------------------------

Parcel Select Ground	50 pieces or 50 pounds per mailing
Lightweight	200 pieces or 50 pounds per mailing
<u>Bound Printed Matter Nonpresorted</u>	<u>None</u>
<u>Bound Printed Matter Presorted</u>	<u>300 pieces per mailing</u>
<u>Bound Printed Matter Carrier Route</u>	<u>300 pieces per mailing</u>
All Other Parcel Select	50 pieces per mailing

2115.4 Price Categories

The following price categories are available.

Parcel Select -- Destination Entered

- DDU – Entered at a designated destination delivery unit, or other equivalent facility
 - DDU
 - Balloon Price
 - Oversized
 - Forwarding and Returns
- DSCF – Entered at a designated destination processing and distribution center or facility, or other equivalent facility
 - Machinable — 5-Digit
 - Nonmachinable — 3-Digit, 5-Digit
 - Oversized
 - Forwarding and Returns
- DNDC – Entered at a designated destination network distribution center, auxiliary service facility, or other equivalent facility
 - Machinable
 - Nonmachinable
 - Oversized
 - Forwarding and Returns

Parcel Select Non-Destination Entered

- Parcel Select Ground
 - Parcel Select Ground
 - Dimensional Weight
 - Oversized
 - Forwarding and Returns
- ~~Parcel Select Lightweight~~
 - ~~○ 5-Digit~~
 - ~~DDU, DSCF, and DNDC entry levels~~
 - ~~Commercial eligible~~
 - ~~○ SCF~~
 - ~~DNDC and Origin entry levels~~
 - ~~Commercial eligible~~
 - ~~○ NDC~~
 - ~~DNDC and Origin entry levels~~
 - ~~Commercial eligible~~
 - ~~○ Mixed NDC/Single-Piece~~
 - ~~Origin entry level~~
 - ~~Commercial eligible~~

Parcel Select Lightweight

- 5-Digit
 - DDU, DSCF, and DNDC entry levels
 - Commercial eligible
- SCF
 - DNDC and Origin entry levels
 - Commercial eligible
- NDC
 - DNDC and Origin entry levels
 - Commercial eligible
- Mixed NDC/Single-Piece
 - Origin entry level
 - Commercial eligible

Parcel Select Bound Printed Matter

- Carrier Route
 - DDU
 - DSCF
 - DNDC
 - Zones 1-9
- Presorted
 - DDU
 - DSCF
 - DNDC
 - Zones 1-9

- Nonpresorted

2115.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding and Return Service
- Pickup On Demand Service
- Ancillary Services (1505)
 - Address Correction Service (1505.1)
 - Certificate of Mailing (1505.6)
 - Collect On Delivery (1505.7)
 - USPS Tracking (1505.8)
 - Insurance (1505.9)
 - Return Receipt (1505.13)
 - Signature Confirmation (1505.17)
 - Special Handling (1505.18)
- Competitive Ancillary Services (2545)
 - Adult Signature (2545.1)
 - Package Intercept Service (2545.2)
 - Premium Data Retention and Retrieval Service (2545.3)

2115.6 Prices

Destination Entered — DDU

a. DDU

Maximum Weight (pounds)	DDU (\$)
1	3.30
2	3.42
3	3.54
4	3.66
5	3.78
6	3.90
7	4.02
8	4.14
9	4.27
10	4.40
11	4.53
12	4.66
13	4.79
14	4.92
15	5.05
16	5.18
17	5.31
18	5.44
19	5.57
20	5.70
21	6.21
22	6.30
23	6.36
24	6.40
25	6.44

a. DDU (Continued)

Maximum Weight (pounds)	DDU (\$)
26	6.48
27	6.52
28	6.56
29	6.60
30	6.64
31	6.68
32	6.72
33	6.76
34	6.80
35	6.84
36	7.04
37	7.08
38	7.12
39	7.16
40	7.20
41	7.24
42	7.28
43	7.32
44	7.36
45	7.40
46	7.44
47	7.49
48	7.54
49	7.60
50	7.66

a. DDU (Continued)

Maximum Weight (pounds)	DDU (\$)
51	7.73
52	7.80
53	7.88
54	7.96
55	8.04
56	8.12
57	8.20
58	8.28
59	8.36
60	8.44
61	8.52
62	8.60
63	8.68
64	8.76
65	8.84
66	8.92
67	9.00
68	9.08
69	9.16
70	9.24
Oversized	13.97

b. Dimensional Weight

Parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by 166.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum

cross-sections of the parcel, dividing by 166, and multiplying by an adjustment factor of 0.785.

c. Oversized Pieces

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in length plus girth must pay the oversized price. As stated in the Domestic Mail Manual, any piece that is found to be over the 70 pound maximum weight limitation is nonmailable, will not be delivered, and may be subject to the \$100.00 overweight item charge.

d. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$2.50.

Destination Entered — DSCF

a. DSCF — 5-Digit Machinable

Maximum Weight (pounds)	DSCF 5-Digit (\$)
1	4.84
2	5.02
3	5.20
4	5.38
5	5.56
6	5.74
7	5.93
8	6.12
9	6.31
10	6.50
11	6.69
12	6.87
13	7.06
14	7.25
15	7.44
16	7.63
17	7.82
18	8.01
19	8.20
20	8.39
21	8.58
22	8.77
23	8.96
24	9.15
25	9.34

a. DSCF — 5-Digit Machinable (Continued)

Maximum Weight (pounds)	DSCF 5-Digit (\$)
26	9.53
27	9.72
28	9.91
29	10.10
30	10.29
31	10.48
32	10.67
33	10.86
34	11.05
35	11.24

b. DSCF — 3-Digit, 5-Digit Non-Machinable

Maximum Weight (pounds)	DSCF 3-Digit (\$)	DSCF 5-Digit (\$)
1	7.49	4.84
2	7.67	5.02
3	7.85	5.20
4	8.03	5.38
5	8.21	5.56
6	8.39	5.74
7	8.58	5.93
8	8.77	6.12
9	8.96	6.31
10	9.15	6.50
11	9.34	6.69
12	9.52	6.87
13	9.71	7.06
14	9.90	7.25
15	10.09	7.44
16	10.28	7.63
17	10.47	7.82
18	10.66	8.01
19	10.85	8.20
20	11.04	8.39
21	11.23	8.58
22	11.42	8.77
23	11.61	8.96
24	11.80	9.15
25	11.99	9.34

b. DSCF — 3-Digit, 5-Digit Non-Machinable (Continued)

Maximum Weight (pounds)	DSCF 3-Digit (\$)	DSCF 5-Digit (\$)
26	12.18	9.53
27	12.37	9.72
28	12.56	9.91
29	12.75	10.10
30	12.94	10.29
31	13.13	10.48
32	13.32	10.67
33	13.51	10.86
34	13.70	11.05
35	13.89	11.24
36	14.20	11.55
37	14.39	11.74
38	14.58	11.93
39	14.77	12.12
40	14.96	12.31
41	15.15	12.50
42	15.34	12.69
43	15.53	12.88
44	15.72	13.07
45	15.91	13.26
46	16.10	13.45
47	16.29	13.64
48	16.48	13.83
49	16.67	14.02
50	16.86	14.21

b. DSCF — 3-Digit, 5-Digit Non-Machinable (Continued)

Maximum Weight (pounds)	DSCF 3-Digit (\$)	DSCF 5-Digit (\$)
51	17.05	14.40
52	17.24	14.59
53	17.43	14.78
54	17.62	14.97
55	17.81	15.16
56	18.00	15.35
57	18.19	15.54
58	18.38	15.73
59	18.57	15.92
60	18.76	16.11
61	18.95	16.30
62	19.14	16.49
63	19.33	16.68
64	19.52	16.87
65	19.71	17.06
66	19.90	17.25
67	20.09	17.44
68	20.28	17.63
69	20.47	17.82
70	20.66	18.01
Oversized	27.90	27.90

c. Dimensional Weight

Parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by 166.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum

cross-sections of the parcel, dividing by 166, and multiplying by an adjustment factor of 0.785.

d. Oversized Pieces

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in length plus girth must pay the oversized price. As stated in the Domestic Mail Manual, any piece that is found to be over the 70 pound maximum weight limitation is nonmailable, will not be delivered, and may be subject to the \$100.00 overweight item charge.

e. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$2.50.

Destination Entered — DNDC

a. DNDC — Machinable

Maximum Weight (pounds)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zones 5 (\$)
1	6.85	7.66	8.63	10.00
2	7.04	8.05	9.17	10.59
3	7.23	8.45	9.72	11.21
4	7.42	8.86	10.29	11.88
5	7.61	9.27	10.86	12.56
6	7.82	9.68	11.42	13.24
7	8.05	10.09	11.97	13.92
8	8.30	10.53	12.53	14.60
9	8.57	11.01	13.12	15.26
10	8.86	11.49	13.71	15.93
11	9.15	11.97	14.30	16.60
12	9.44	12.45	14.89	17.27
13	9.73	12.93	15.47	17.94
14	10.02	13.41	16.05	18.61
15	10.31	13.89	16.63	19.27
16	10.60	14.37	17.18	19.93
17	10.89	14.85	17.69	20.57
18	11.18	15.33	18.18	21.19
19	11.47	15.81	18.65	21.78
20	11.76	16.29	19.11	22.33
21	12.05	16.77	19.57	22.88
22	12.34	17.25	20.02	23.43
23	12.63	17.73	20.47	23.97
24	12.92	18.21	20.92	24.51
25	13.21	18.67	21.37	25.05

a. DNDC — Machinable (Continued)

Maximum Weight (pounds)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zones 5 (\$)
26	13.50	19.10	21.82	25.59
27	13.79	19.51	22.26	26.11
28	14.08	19.89	22.69	26.63
29	14.37	20.27	23.10	27.08
30	14.66	20.65	23.50	27.50
31	14.95	21.03	23.90	27.92
32	15.24	21.41	24.30	28.33
33	15.53	21.79	24.70	28.74
34	15.82	22.17	25.09	29.15
35	16.11	22.55	25.47	29.56

b. DNDC — Non-Machinable

Maximum Weight (pounds)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zones 5 (\$)
1	9.85	10.66	11.63	13.00
2	10.04	11.05	12.17	13.59
3	10.23	11.45	12.72	14.21
4	10.42	11.86	13.29	14.88
5	10.61	12.27	13.86	15.56
6	10.82	12.68	14.42	16.24
7	11.05	13.09	14.97	16.92
8	11.30	13.53	15.53	17.60
9	11.57	14.01	16.12	18.26
10	11.86	14.49	16.71	18.93
11	12.15	14.97	17.30	19.60
12	12.44	15.45	17.89	20.27
13	12.73	15.93	18.47	20.94
14	13.02	16.41	19.05	21.61
15	13.31	16.89	19.63	22.27
16	13.60	17.37	20.18	22.93
17	13.89	17.85	20.69	23.57
18	14.18	18.33	21.18	24.19
19	14.47	18.81	21.65	24.78
20	14.76	19.29	22.11	25.33
21	15.05	19.77	22.57	25.88
22	15.34	20.25	23.02	26.43
23	15.63	20.73	23.47	26.97
24	15.92	21.21	23.92	27.51
25	16.21	21.67	24.37	28.05

b. DNDC — Non-Machinable (Continued)

Maximum Weight (pounds)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zones 5 (\$)
26	16.50	22.10	24.82	28.59
27	16.79	22.51	25.26	29.11
28	17.08	22.89	25.69	29.63
29	17.37	23.27	26.10	30.08
30	17.66	23.65	26.50	30.50
31	17.95	24.03	26.90	30.92
32	18.24	24.41	27.30	31.33
33	18.53	24.79	27.70	31.74
34	18.82	25.17	28.09	32.15
35	19.11	25.55	28.47	32.56
36	19.59	26.11	28.94	33.08
37	19.93	26.50	29.35	33.48
38	20.26	26.88	29.75	33.89
39	20.58	27.26	30.15	34.29
40	20.89	27.62	30.54	34.67
41	21.19	27.97	30.89	35.05
42	21.48	28.32	31.25	35.43
43	21.78	28.67	31.61	35.81
44	22.08	29.03	31.98	36.19
45	22.38	29.37	32.34	36.57
46	22.68	29.72	32.70	36.95
47	22.98	30.08	33.07	37.33
48	23.27	30.42	33.42	37.71
49	23.56	30.77	33.77	38.08
50	23.85	31.10	34.12	38.45

b. DNDC — Non-Machinable (Continued)

Maximum Weight (pounds)	DNDC Zones 1 & 2 (\$)	DNDC Zone 3 (\$)	DNDC Zone 4 (\$)	DNDC Zones 5 (\$)
51	24.13	31.44	34.47	38.82
52	24.42	31.78	34.81	39.19
53	24.70	32.12	35.15	39.55
54	24.98	32.45	35.48	39.90
55	25.26	32.77	35.82	40.25
56	25.54	33.08	36.15	40.60
57	25.82	33.40	36.49	40.95
58	26.10	33.70	36.82	41.30
59	26.38	34.02	37.16	41.65
60	26.66	34.33	37.50	42.00
61	26.95	34.65	37.84	42.35
62	27.23	34.97	38.18	42.70
63	27.52	35.28	38.52	43.05
64	27.80	35.60	38.85	43.40
65	28.09	35.92	39.19	43.75
66	28.37	36.24	39.52	44.10
67	28.66	36.56	39.86	44.44
68	28.94	36.88	40.19	44.78
69	29.23	37.20	40.53	45.12
70	29.51	37.52	40.86	45.46
Oversized	43.71	58.44	69.65	80.44

c. Dimensional Weight

Parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by 166.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum

cross-sections of the parcel, dividing by 166, and multiplying by an adjustment factor of 0.785.

d. Oversized Pieces

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in length plus girth must pay the oversized price. As stated in the Domestic Mail Manual, any piece that is found to be over the 70 pound maximum weight limitation is nonmailable, will not be delivered, and may be subject to the \$100.00 overweight item charge.

e. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$2.50.

Non-Destination Entered — Parcel Select Ground

a. Parcel Select Ground

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
1	7.01	7.31	7.52	7.63	7.84	7.97	8.15
2	7.59	7.76	8.04	8.55	9.79	10.26	10.79
3	7.75	8.10	8.47	9.29	11.80	13.00	15.05
4	7.85	8.33	8.96	10.08	13.90	15.68	17.56
5	7.95	8.38	9.28	11.35	15.97	18.19	20.56
6	8.06	8.42	9.39	13.97	18.49	21.42	24.35
7	8.33	9.68	9.73	16.03	20.33	23.84	27.08
8	8.39	10.18	11.55	17.54	22.44	26.41	30.64
9	9.25	10.58	12.05	18.84	24.52	28.73	34.27
10	9.65	11.04	12.15	20.46	26.55	31.63	37.27
11	11.65	14.04	15.09	23.61	30.62	37.05	42.80
12	12.40	14.97	17.66	25.34	33.54	40.10	46.10
13	13.07	15.86	18.51	26.73	35.55	41.25	46.95
14	13.77	16.76	19.52	28.33	37.60	43.50	49.40
15	14.32	17.67	20.49	29.82	39.40	45.10	50.80
16	14.97	18.82	21.84	31.63	41.65	47.65	53.85
17	15.46	19.71	22.90	33.21	43.95	50.25	56.75
18	15.78	20.33	23.96	34.73	46.20	52.90	59.80
19	16.15	20.82	24.52	35.66	47.25	54.00	60.95
20	16.81	21.15	25.02	36.33	48.90	56.40	64.10
21	17.57	21.67	25.61	36.99	49.75	57.50	65.55
22	18.14	22.27	26.48	37.74	50.95	59.00	67.15
23	18.70	22.81	27.13	38.44	51.72	59.89	68.35
24	19.48	23.80	28.70	39.97	52.85	61.50	70.15
25	20.25	24.66	30.55	41.34	53.65	62.80	71.45

a. Parcel Select Ground (Continued)

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
26	21.51	26.47	33.79	43.58	54.99	64.60	73.70
27	22.82	27.69	35.88	47.55	55.75	66.24	76.45
28	23.53	28.06	36.91	48.81	56.53	67.83	79.50
29	24.27	28.35	37.92	49.47	57.50	69.43	81.75
30	25.00	28.77	38.82	50.15	59.15	71.00	83.50
31	25.72	29.06	39.44	50.80	60.03	72.61	85.45
32	26.02	29.69	40.10	51.40	60.83	74.22	87.00
33	26.43	30.52	41.11	52.09	62.04	75.79	88.80
34	26.68	31.33	42.17	53.23	63.55	77.39	90.55
35	26.98	32.08	42.78	54.37	65.29	78.98	91.95
36	27.32	33.03	43.35	55.56	66.97	80.08	93.60
37	27.61	33.65	43.98	56.56	68.76	81.13	95.20
38	27.89	34.48	44.54	57.70	70.71	82.08	96.80
39	28.16	35.30	45.06	58.91	72.42	84.30	98.30
40	28.46	36.05	45.65	60.15	73.60	86.23	99.70
41	28.77	36.66	46.14	60.69	74.87	88.11	101.30
42	28.99	36.94	46.55	61.72	76.21	89.34	102.60
43	29.33	37.22	46.97	62.75	78.07	90.48	103.70
44	29.54	37.49	47.38	63.77	79.33	91.58	105.20
45	29.73	37.76	47.81	64.81	80.23	92.59	106.50
46	30.00	38.04	48.23	65.84	81.14	93.61	107.75
47	30.22	38.31	48.64	66.87	82.00	94.70	109.05
48	30.48	38.59	49.06	67.89	83.07	95.63	110.15
49	30.72	38.85	49.48	68.92	84.23	96.65	111.25
50	30.85	39.12	49.90	69.96	85.43	97.90	112.45

a. Parcel Select Ground (Continued)

Maximum Weight (pounds)	Zones 1 & 2 (\$)	Zone 3 (\$)	Zone 4 (\$)	Zone 5 (\$)	Zone 6 (\$)	Zone 7 (\$)	Zone 8 (\$)
51	31.31	39.40	50.29	71.16	86.62	99.33	113.55
52	31.78	39.68	50.71	71.67	87.47	100.86	114.85
53	32.38	39.94	51.13	72.26	88.22	102.54	116.35
54	32.86	40.23	51.54	72.89	88.86	104.04	118.05
55	33.38	40.49	51.96	73.35	89.61	105.72	119.60
56	33.85	40.77	52.38	73.91	90.21	107.20	120.85
57	34.39	41.04	52.80	74.35	90.91	107.90	121.70
58	34.92	41.31	53.21	74.83	91.46	108.90	122.75
59	35.43	41.59	53.62	75.29	91.98	109.60	123.65
60	35.88	41.86	54.03	75.71	92.45	110.30	124.45
61	36.47	42.12	54.45	76.09	92.97	111.60	126.20
62	36.92	42.40	54.86	76.43	93.41	112.96	128.30
63	37.60	42.68	55.29	76.84	93.95	113.51	130.40
64	37.93	42.94	55.70	77.18	94.38	114.04	132.45
65	38.49	43.22	56.13	77.42	94.66	114.62	134.45
66	39.00	43.50	56.53	77.77	95.14	114.97	136.60
67	39.59	43.77	57.50	78.05	95.45	115.44	138.35
68	40.06	44.04	58.23	78.27	96.67	116.05	139.85
69	40.61	44.32	58.98	78.50	97.85	116.60	141.35
70	41.04	44.59	59.92	78.75	99.05	117.03	142.95
Oversized	80.00	101.70	123.45	144.90	166.60	188.25	210.00

b. Dimensional Weight

Parcels exceeding one cubic foot are priced at the actual weight or the dimensional weight, whichever is greater.

For box-shaped parcels, the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) of the parcel, and dividing by 166.

For irregular-shaped parcels (parcels not appearing box-shaped), the dimensional weight (pounds) is calculated by multiplying the length (inches) times the width (inches) times the height (inches) at the associated maximum

cross-sections of the parcel, dividing by 166, and multiplying by an adjustment factor of 0.785.

c. Oversized Pieces

Regardless of weight, any piece that measures more than 108 inches (but not more than 130 inches) in length plus girth must pay the oversized price. As stated in the Domestic Mail Manual, any piece that is found to be over the 70 pound maximum weight limitation is nonmailable, will not be delivered, and may be subject to the \$100.00 overweight item charge.

d. Forwarding and Returns

Parcel Select pieces that are forwarded on request of the addressee or forwarded or returned on request of the mailer will be subject to the applicable Parcel Select Ground price, plus \$3.00, when forwarded or returned. For customers using Address Correction Service with Shipper Paid Forwarding/Return, and also using an IMpb, the additional fee will be \$2.50.

Parcel Select Lightweight

Maximum Weight (ounces)	Entry Point/Sortation Level							
	DDU/ 5-Digit (\$)	DSCF/ 5-Digit (\$)	DNDC/ 5-Digit (\$)	DSCF/ SCF (\$)	DNDC/ SCF (\$)	DNDC/ NDC (\$)	None/ NDC (\$)	None/ Mixed NDC/Single -Piece (\$)
1	2.15	2.55	2.85	3.05	3.28	3.70	4.13	4.45
2	2.15	2.55	2.85	3.05	3.28	3.70	4.13	4.45
3	2.15	2.55	2.85	3.05	3.28	3.70	4.13	4.45
4	2.15	2.55	2.85	3.05	3.28	3.70	4.13	4.45
5	2.17	2.60	2.95	3.16	3.50	3.93	4.43	4.80
6	2.17	2.60	2.95	3.16	3.50	3.93	4.43	4.80
7	2.17	2.60	2.95	3.16	3.50	3.93	4.43	4.80
8	2.17	2.60	2.95	3.16	3.50	3.93	4.43	4.80
9	2.32	2.84	3.28	3.51	3.95	4.43	5.00	5.43
10	2.32	2.84	3.28	3.51	3.95	4.43	5.00	5.43
11	2.32	2.84	3.28	3.51	3.95	4.43	5.00	5.43
12	2.32	2.84	3.28	3.51	3.95	4.43	5.00	5.43
13	2.49	3.10	3.63	4.01	4.43	4.97	5.61	6.10
14	2.49	3.10	3.63	4.01	4.43	4.97	5.61	6.10
15	2.49	3.10	3.63	4.01	4.43	4.97	5.61	6.10
15.999	2.49	3.10	3.63	4.01	4.43	4.97	5.61	6.10

Forwarding and Return Service

If Forwarding Service is used in conjunction with electronic Address Correction Service, forwarded Parcel Select Lightweight parcels pay \$4.75 per piece. All other Parcel Select Lightweight pieces requesting Forwarding and Return Service that are returned are charged the appropriate First-Class Package Service or Priority Mail price for the piece multiplied by a factor of 2.472.

Pickup On Demand Service

Add \$24.00 for each Pickup On Demand stop.

IMpb Noncompliance Fee

Add \$0.20 for each IMpb-noncompliant parcel paying commercial prices, unless the eVS Unmanifested Fee was already assessed on that parcel.

eVS Unmanifested Fee

Add \$0.20 for each unmanifested parcel paying commercial prices, unless the IMpb Noncompliance Fee was already assessed on that parcel.

Parcel Select Bound Printed Matter Carrier Route

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Destination Entry

	<u>DDU</u>	<u>DSCF</u>	<u>DNDC</u> <u>Zones</u> <u>1 & 2</u>	<u>DNDC</u> <u>Zone 3</u>	<u>DNDC</u> <u>Zone 4</u>	<u>DNDC</u> <u>Zone 5</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Per Piece</u>	<u>0.644</u>	<u>0.826</u>	<u>1.283</u>	<u>1.283</u>	<u>1.283</u>	<u>1.283</u>
<u>Per Pound</u>	<u>0.043</u>	<u>0.074</u>	<u>0.102</u>	<u>0.134</u>	<u>0.182</u>	<u>0.253</u>

b. Other Than Destination Entry

	<u>Zones</u> <u>Local</u> <u>1 & 2</u>	<u>Zone 3</u>	<u>Zone 4</u>	<u>Zone 5</u>	<u>Zone 6</u>	<u>Zone</u> <u>7</u>	<u>Zones</u> <u>8 & 9</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Per Piece</u>	<u>1.386</u>	<u>1.386</u>	<u>1.386</u>	<u>1.386</u>	<u>1.386</u>	<u>1.386</u>	<u>1.386</u>
<u>Per Pound</u>	<u>0.190</u>	<u>0.226</u>	<u>0.275</u>	<u>0.340</u>	<u>0.415</u>	<u>0.479</u>	<u>0.626</u>

Presorted

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Destination Entry

	<u>DDU</u>	<u>DSCF</u>	<u>DNDC</u> <u>Zones</u> <u>1 & 2</u>	<u>DNDC</u> <u>Zone 3</u>	<u>DNDC</u> <u>Zone 4</u>	<u>DNDC</u> <u>Zone 5</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Per Piece</u>	<u>0.789</u>	<u>0.971</u>	<u>1.428</u>	<u>1.428</u>	<u>1.428</u>	<u>1.428</u>
<u>Per Pound</u>	<u>0.043</u>	<u>0.074</u>	<u>0.102</u>	<u>0.134</u>	<u>0.182</u>	<u>0.253</u>

b. Other Than Destination Entry

	<u>Zones</u> <u>Local</u> <u>1 & 2</u>	<u>Zone 3</u>	<u>Zone 4</u>	<u>Zone 5</u>	<u>Zone 6</u>	<u>Zone</u> <u>7</u>	<u>Zones</u> <u>8 & 9</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<u>Per Piece</u>	<u>1.531</u>	<u>1.531</u>	<u>1.531</u>	<u>1.531</u>	<u>1.531</u>	<u>1.531</u>	<u>1.531</u>
<u>Per Pound</u>	<u>0.190</u>	<u>0.226</u>	<u>0.275</u>	<u>0.340</u>	<u>0.415</u>	<u>0.479</u>	<u>0.626</u>

Nonpresorted

<u>Maximum Weight (pounds)</u>	<u>Zones 1 & 2 (\$)</u>	<u>Zone 3 (\$)</u>	<u>Zone 4 (\$)</u>	<u>Zone 5 (\$)</u>	<u>Zone 6 (\$)</u>	<u>Zone 7 (\$)</u>	<u>Zones 8 & 9 (\$)</u>
<u>1.0</u>	<u>2.71</u>	<u>2.77</u>	<u>2.83</u>	<u>2.92</u>	<u>3.04</u>	<u>3.10</u>	<u>3.31</u>
<u>1.5</u>	<u>2.76</u>	<u>2.83</u>	<u>2.89</u>	<u>2.98</u>	<u>3.10</u>	<u>3.17</u>	<u>3.38</u>
<u>2.0</u>	<u>2.84</u>	<u>2.92</u>	<u>3.00</u>	<u>3.12</u>	<u>3.28</u>	<u>3.36</u>	<u>3.66</u>
<u>2.5</u>	<u>2.96</u>	<u>3.06</u>	<u>3.16</u>	<u>3.31</u>	<u>3.52</u>	<u>3.62</u>	<u>3.99</u>
<u>3.0</u>	<u>3.09</u>	<u>3.21</u>	<u>3.33</u>	<u>3.51</u>	<u>3.76</u>	<u>3.88</u>	<u>4.33</u>
<u>3.5</u>	<u>3.24</u>	<u>3.38</u>	<u>3.52</u>	<u>3.74</u>	<u>4.04</u>	<u>4.18</u>	<u>4.71</u>
<u>4.0</u>	<u>3.36</u>	<u>3.52</u>	<u>3.68</u>	<u>3.93</u>	<u>4.27</u>	<u>4.43</u>	<u>5.04</u>
<u>4.5</u>	<u>3.48</u>	<u>3.66</u>	<u>3.84</u>	<u>4.13</u>	<u>4.51</u>	<u>4.69</u>	<u>5.37</u>
<u>5.0</u>	<u>3.61</u>	<u>3.82</u>	<u>4.03</u>	<u>4.35</u>	<u>4.77</u>	<u>4.98</u>	<u>5.73</u>
<u>6.0</u>	<u>3.87</u>	<u>4.13</u>	<u>4.39</u>	<u>4.78</u>	<u>5.29</u>	<u>5.55</u>	<u>6.45</u>
<u>7.0</u>	<u>4.14</u>	<u>4.44</u>	<u>4.74</u>	<u>5.19</u>	<u>5.80</u>	<u>6.10</u>	<u>7.15</u>
<u>8.0</u>	<u>4.39</u>	<u>4.73</u>	<u>5.07</u>	<u>5.59</u>	<u>6.28</u>	<u>6.62</u>	<u>7.82</u>
<u>9.0</u>	<u>4.65</u>	<u>5.04</u>	<u>5.43</u>	<u>6.02</u>	<u>6.80</u>	<u>7.19</u>	<u>8.55</u>
<u>10.0</u>	<u>4.90</u>	<u>5.33</u>	<u>5.76</u>	<u>6.41</u>	<u>7.27</u>	<u>7.70</u>	<u>9.20</u>
<u>11.0</u>	<u>5.18</u>	<u>5.66</u>	<u>6.14</u>	<u>6.86</u>	<u>7.82</u>	<u>8.30</u>	<u>9.97</u>
<u>12.0</u>	<u>5.42</u>	<u>5.94</u>	<u>6.46</u>	<u>7.24</u>	<u>8.28</u>	<u>8.80</u>	<u>10.62</u>
<u>13.0</u>	<u>5.68</u>	<u>6.24</u>	<u>6.80</u>	<u>7.64</u>	<u>8.76</u>	<u>9.32</u>	<u>11.28</u>
<u>14.0</u>	<u>5.95</u>	<u>6.56</u>	<u>7.17</u>	<u>8.08</u>	<u>9.28</u>	<u>9.89</u>	<u>12.01</u>
<u>15.0</u>	<u>6.21</u>	<u>6.86</u>	<u>7.51</u>	<u>8.48</u>	<u>9.79</u>	<u>10.44</u>	<u>12.72</u>

Pickup On Demand Service

Add \$24.00 for each Pickup On Demand stop.

ATTACHMENT D

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. §§ 3011.200 - 3011.203, the United States Postal Service applies for non-public treatment of the information filed under seal in USPS Non-public Library Reference USPS-LR-MC2021-78-NP1. The justification for this application required by 39 C.F.R. § 3011.201(b) follows.

(1) The rationale for claiming that the materials are non-public, including the specific statutory provision(s) supporting the claim, and an explanation justifying application of the provision(s) to the materials;

The material in question consists of non-public commercial information that would not be disclosed under good business practices. Based on its longstanding and deep familiarity with the postal business, its markets, and its competitors, the Postal Service does not believe that it or any competing enterprise would voluntarily publish this information out of a concern that doing so would be used by competitors to its commercial detriment. As such, this information is exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3).

(2) A statement of whether the submitter, any person other than the submitter, or both have a proprietary interest in the information contained within the non-public materials ... and the identification of an individual ... to accept actual notice of a motion related to the non-public materials....

The Postal Service has a proprietary interest in the information filed under seal. The Postal Service is not aware of any third party with a proprietary interest in the information and will update this application if it becomes aware of any third party with an interest. The individual designated to accept notice of any motion regarding this

information is Michael Gross, Attorney, Pricing and Product Compliance; 202-268-6915; Michael.I.Gross@usps.gov.

(3) A description of the information contained within the materials claimed to be non-public in a manner that, without revealing the information at issue, would allow the Commission to thoroughly evaluate the basis for the claim that the information contained within the materials are non-public;

USPS Nonpublic Library Reference USPS-LR-MC2021-78-NP1 consists of a one-page Microsoft Word table, labeled as Table 2 in the transfer request to which this application is attached. Table 2 contains the percentage of Bound Printed Matter (BPM) Parcels shipped in FY 2020 by the Postal Service's top 20 mailers, disaggregated by individual mailer and the volume each shipped.

(4) Particular identification of the nature and extent of the harm alleged and the likelihood of each harm alleged to result from disclosure;

Disclosure of confidential shipping volume information is regarded as posing a substantial risk of commercial harm. The Postal Service believes that its competitors do not disclose customer shipping volume information either.

If the information in Table 2 were disclosed, the Postal Service would likely be placed at a competitive disadvantage and suffer substantial harm. Competitors could use specific volume information in Table 2 to closely approximate individual customer costs for shipping BPM parcels and direct their sales and marketing efforts at winning the business of these customers.

Further, the release of confidential customer shipping volume information would be a significant breach of trust, and customers that lose faith in the Postal Service may easily take their business elsewhere, as the Postal Service makes clear in its discussion of the market and competitors for Bound Printed Matter Parcels in the transfer request

to which this application is attached. See Docket No. MC2021-78, Request to Transfer Bound Printed Matter Parcels to the Competitive Products List, March 26, 2021, at 11.

The consequences of a breach of trust are magnified in the circumstances here because, as is also made clear in the transfer request, a number of the customers for BPM Parcels are themselves competitors. With the release of their volume information, they, like the Postal Service, would be subject to customer poaching.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Hypothetical: Table 2 is released, and the names and volumes of the 20 largest customers of BPM Parcels in FY 2020 become publicly known. This allows competitors' analysts to match volume information with publicly available pricing information in Notice 123, and other information about customers' businesses, to both closely approximate individual customer costs for shipping BPM Parcels and assess the relative profitability of their own services on a per-piece basis. Competitors' sales and marketing teams make specific efforts at winning business by providing targeted, preferential pricing. Release of the information in Table 2 may also inform competitors' broader marketing and product decisions, also to the Postal Service's competitive detriment.

Harm: The Postal Service suffers significant commercial harm in the form of lost business.

Hypothetical: Table 2 is released, and the names and volumes of the 20 largest customers of BPM Parcels in FY 2020 become publicly known. One or more customers, reacting to the breach of confidential information and whether or not targeted by competitors, places its BPM Parcels business, and other business, with other shippers. Release of the information in Table 2 may also interfere with the negotiation or

renegotiation of Negotiated Service Agreements with these customers and the willingness of other customers, present or future, to do business with the Postal Service.

Harm: The Postal Service suffers significant commercial harm in the form of lost business.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the portions of the materials filed non-publicly should be withheld from all persons involved in decision-making for competing providers of delivery services, as well as their agents, consultants, and attorneys.

(7) The length of time for which non-public treatment is alleged to be necessary with justification thereof; and

Ten years. Non-public materials lose non-public status ten years after the date of filing with the Commission, unless otherwise provided by the Commission. 39 C.F.R. § 3011.401(a).

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of Table 2.